

**21<sup>st</sup> November 2011**

**Joint Press Release**

from Chairman of Dundalk Town Council, Marianne Butler & President of Dundalk Chamber of Commerce, Paddy Malone

***Chair of Dundalk Town Council & President of Dundalk Chamber of Commerce urge Government not to increase VAT***

The Chair of Dundalk Town Council, Marianne Butler and the President of Dundalk Chamber of Commerce, Paddy Malone reacted this week to reports that the Government are planning on increasing the top rate of VAT by 2% bringing it up to 23%.

Paddy Malone commented that, "The border region is recovering from the mistake a number of years ago of allowing UK VAT rates and ours to diverge by 6%. The consequences to the town were obvious to all. The new proposal would see this difference rise from 1% to 3%. The impact of a 2% difference would mean more people shopping in the North and would immediately seriously impact trade in Dundalk, the long term concern would be the loss of jobs in the town's retail sector."

Marianne Butler, Chair of Dundalk Town Council is in agreement with Paddy Malone on the impact that a VAT increase would have in Dundalk. She added that "this seems to be a poorly thought out decision by the government that would have a devastating impact on Dundalk and the Border regions. When the last government introduced similar measures they only succeeded in creating tailbacks to Newry. To repeat the mistakes of the past is lunacy. We have seen this year the positive impact of a VAT reduction on one of the lower rates that benefited many local businesses in a variety of sectors including hospitality and hairdressing. Dundalk Town Council has undertaken a number of measures to try to support local businesses in the last number of years including reducing commercial rates and the redevelopment of Market Square was aimed at bringing people back into the town centre, benefiting trade in the town. A VAT increase is the last thing local businesses need".

The two are requesting an urgent meeting with the Minister for Finance in order to discuss and lobby against the proposed changes to the top VAT rate.

**Ends**

**For more information please contact**

**Paddy Malone, President - Dundalk Chamber of Commerce on 086 8244098**

**Cllr Marianne Butler, Cathaoirleach - Dundalk Town Council on 086 8677672**